

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Shai Y. Waisman

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----x
In re : **Chapter 11 Case No.**
:
LEHMAN BROTHERS HOLDINGS INC., et al., : **08-13555 (JMP)**
:
Debtors. : **(Jointly Administered)**
-----x

**QUARTERLY REPORT PURSUANT TO ORDER ESTABLISHING
PROCEDURES FOR THE DEBTORS TO TRANSFER THEIR INTERESTS IN
RESPECT OF RESIDENTIAL AND COMMERCIAL LOANS SUBJECT TO
FORECLOSURE TO WHOLLY-OWNED NON-DEBTOR SUBSIDIARIES**

Pursuant to the Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure Establishing Procedures for the Debtors to Transfer Their Interests in Respect of Residential and Commercial Loans Subject to Foreclosure to Wholly-Owned Non-Debtor Subsidiaries, entered on September 24, 2009 (the “Order”),¹ the Court granted Lehman Brothers Holdings Inc. and its affiliated debtors in the above-referenced chapter 11 cases (together, the “Debtors”) authority to (i) transfer commercial mortgage loans, commercial mezzanine loans, residential mortgage loans and other loans owned by the Debtors ultimately secured directly or indirectly by real property or interests therein that may be subject to foreclosure or deeds or assignments in lieu of foreclosure (as applicable

¹ All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order.

“Residential Foreclosure Loans” or “Commercial Foreclosure Loans,” and collectively “Real Estate Foreclosure Loans”) to non-debtor special purpose entities wholly owned directly or indirectly by LBHI or LCPI, as applicable (the “Foreclosure SPEs”), and (ii) sell or otherwise dispose of the real property underlying Real Estate Foreclosure Loans acquired by Foreclosure SPEs, in accordance with the procedures set forth in the Order.

As required by the Order, the Debtors hereby file the quarterly report, annexed hereto as Exhibit A, of all Commercial Foreclosure Loan transfers to Foreclosure SPEs that have occurred pursuant to the authority granted in the Order for the period from September 24, 2009 to and including December 1, 2009.

Dated: December 23, 2009
New York, New York

/s/ Shai Y. Waisman
Shai Y. Waisman

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

Exhibit A

Commercial Foreclosure Loan Transfer Report	
Number of Commercial Foreclosure Loans Transfers to Foreclosure SPEs in Last Three Months	Aggregate Mark-to-Market Carrying Value of all Commercial Foreclosure Loans Transferred to Foreclosure SPEs in Last Three Months
5	\$39,630,169.04